

INITIAL NOTICE OF POTENTIAL CLAIM

CEM-6201A (NEW 9/2002)

TO <b>Ben Ghafghazi</b> ( Resident Engineer )	CONTRACT NUMBER <b>04-0120L4</b>	DATE <b>November 20, 2007</b>	IDENTIFICATION # <b>NPC #2</b>
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This is An initial Notice of Potential Claim for additional compensation submitted as required under the provisions of Section 9-1.04, "Notice of Potential Claim", of the Standard Specifications.  
The act of the Engineer, or his/her failure to act, or the event, thing, occurrence, or other cause giving rise to the potential claim occurred on

DATE **11/16/07**

The particular nature and circumstances of this potential claim are described as follows:

Caltrans deducted \$812,825.00 from Progress Payment No. 3 which was processed and paid and received on November 16, 2007. The deduction was improper because MCM had properly submitted all required OCIP information and Caltrans caused the delay in approving the MCM OCIP submittal. See MCM letter No. 307-246 which describes the chronology of this OCIP credit submittal process.

The tentative amount of this claim is either 10% interest per annum or 2% penalty per month pursuant to Public Contract Code provisions regarding late payments. The computation is based on the amount deducted to date or any other deductions taken on the basis of the default 8% deduction.

The undersigned originator (Contractor or Subcontractor as appropriate) certifies that the above statements and attached documents made in full cognizance of the California False Claim Act, Government Code sections 12650 - 12655. The undersigned further understands and agrees that this potential claim to be further considered unless resolved, must fully conform to the requirements in Section 9-1.04 of the Standard Specifications and must be restated as a claim in the Contractor's written statement in conformance with Section 9-1.07B of the Standard Specifications.

MCM Construction, Inc

Subcontractor of Contractor

(Circle One)

( Authorized Representative )

For subcontractor notice of potential claim

**This notice of potential claim is acknowledged and forwarded by**

**MCM CONSTRUCTION, INC.**  
PRIME CONTRACTOR

( Authorized Representative )